

Message Text

LIMITED OFFICIAL USE

PAGE 01 KUWAIT 04296 301425Z
ACTION AF-10

INFO OCT-01 EUR-12 NEA-10 ISO-00 CIAE-00 DODE-00 PM-05
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02
SS-15 ICA-11 EB-08 AID-05 OMB-01 TRSE-00 COME-00
DOE-15 SOE-02 SAA-01 GSA-02 OPIC-03 /123 W
-----020462 301430Z /46

R 301314Z JUL 78
FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 1511
INFO AMEMBASSY ABU DHABI
AMEMBASSY CAIRO
AMEMBASSY CONAKRY
AMEMBASSY DOHA
AMEMBASSY ABU DHABI
AMEMBASSY PARIS

LIMITED OFFICIAL USE KUWAIT 4296

E.O. 11652: N/A
TAGS: EFIN, EAID, GV, ZP
SUBJ: ARAB ECONOMIC ASSISTANCE TO GUINEA

REF: CONAKRY 1389

1. IN RESPONSE REFTEL WE TALKED TO NUMBER OF ECONOMISTS AT KUWAIT FUND, INCLUDING DR. SULTAN ABU ALI, HARVARD-EDUCATED EGYPTIAN ECONOMIST WHO WILL LEAD TWO MAN KUWAIT FUND TEAM TO CONAKRY IN EARLY AUGUST TO LOOK INTO PROJECTS MENTIONED REFTEL. SITUATION REGARDING KUWAITI ASSISTANCE IS AS FOLLOWS.

2. KUWAIT FUND TEAM WILL VISIT GUINEA AS FOLLOW UP TO PRESIDENT TOURE'S VISIT TO GULF STATES. KUWAIT FUND ECONOMISTS HAVE THEIR DOUBTS ABOUT KONKOURE DAM. AMOUNT OF ADDITIONAL POWER TO BE GENERATED APPEARS TO BE MORE THAN COUNTRY COULD POSSIBLY USE THROUGH YEAR 2000, AND COST OF PROJECT SEEMS MUCH GREATER THAN LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KUWAIT 04296 301425Z

ANY POSSIBLE RETURN. THIS HAS LED THEM TO QUESTION WHETHER KUWAIT FUND AND OTHER ARAB DONORS SHOULD BE IN BUSINESS OF FINANCING SUBSIDIZED PRODUCTION OF ALUMINUM, WHERE BENEFIT WILL ACCRUE AS MUCH TO CONSUMERS IN DEVELOPED COUNTRIES AS TO GUINEA. HOWEVER, THESE ARE SIMPLY VIEWS BOUNCED ABOUT IN CORRIDORS OF KUWAIT FUND, NOT A FORMAL FUND POSITION. DR. ALI WILL BE VISITING GUINEA WITH AN OPEN MIND. WHATEVER RESULTS OF HIS

VISIT, KUWAIT FUND BY STATUTE CANNOT FINANCE MORE THAN 50 PERCENT OF COST OF ANY ONE PROJECT. LARGEST AMOUNT FUND HAS EVER COMMITTED TO ANY ONE NON-ARAB, AFRICAN COUNTRY PROJECT IS \$33 MILLION, MAKING IT LIKELY THAT AT MOST KUWAIT FUND WOULD ONLY FINANCE 10 PERCENT OF \$450 MILLION KONKOURE PROJECT.

3. LOCAL KUWAIT PRESS JULY 26 REPORTED KUWAIT FINANCE MINISTER ATEEQI AS SAYING THAT THE GOVERNMENT OF KUWAIT IS CONSIDERING INVESTMENT IN "GUINEA'S BAUXITE MINING PROJECT" (PRESUMABLY ACTUALLY ALUMINUM PLANT REPORTED REFTEL). GOVERNMENT WOULD ONLY CONSIDER INVESTMENT AFTER COMPLETION OF CONSULTANCY SURVEY FOR PROJECT, WHICH REPORTEDLY WILL COST \$7 MILLION. WE UNDERSTAND THAT IF KUWAIT DOES BECOME INVOLVED IN SMELTER PROJECT, IT WOULD BE THROUGH 80 PERCENT GOVERNMENT-OWNED KUWAIT FOREIGN TRADING, CONTRACTING AND INVESTMENT COMPANY (KFTCIC), WHICH IS ACTIVE INVESTOR IN SUDAN, MOROCCO, AND OTHER THIRD WORLD COUNTRIES.

4. COMMENT: WHILE SAUDI INVOLVEMENT IN GUINEA PRESUMABLY HAS STRONG ANTI-COMMUNIST MOTIVE, KUWAIT INVOLVEMENT IS LIKELY TO BE LARGELY FOR ECONOMIC CONSIDERATIONS, ESPECIALLY REGARDING ANY KFTCIC EQUITY PARTICIPATION IN ALUMINUM PLANT. GUINEANS MAY BE SURPRISED TO FIND THAT KUWAITIS WILL BE AS TOUGH (IF NOT TOUGHER) IN NEGOTIATIONS ON ALUMINUM PLANT THAN ANY SO-CALLED "IMPERIALIST" WESTERN FIRMS. IF GUINEANS ARE REALLY INTERESTED IN KUWAITI MONEY, THEIR BEST APPROACH WILL BE TO PROVIDE THE DATA LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 KUWAIT 04296 301425Z

WHICH JUSTIFY KUWAITI INVESTMENT ON PURELY ECONOMIC GROUNDS. SUTHERLAND

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ARABS, ECONOMIC ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 30 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUWAIT04296
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780312-0758
Format: TEL
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978075/aaaaadwv.tel
Line Count: 96
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2adcf071-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 CONAKRY 1389
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1976961
Secure: OPEN
Status: NATIVE
Subject: ARAB ECONOMIC ASSISTANCE TO GUINEA
TAGS: EFIN, EAID, GV, ZP
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/2adcf071-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014